

Personal Demographic Factors and their Influence on Entrepreneurial Intention : A Case in Srilanka

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Abstract— This Study presents a new model of personal demographic factors and entrepreneurial intention among undergraduates. Quantitative approach was utilized in this study; the survey instrument in the form of close-ended questionnaire was developed for the purpose of collecting the main data for the study. The study was limited to Management undergraduates in Jaffna University, Sri Lanka. Therefore, Stratified proportionate sampling method was adopted to select respondents. Independent sample one-way Anova (f-test) and independent sample t-test (t-test) were used to identify the significant mean difference between the levels of Entrepreneurial intention across the personal demographic factors. Based on the finding, both male and female management undergraduates have approximately same level of entrepreneurial intention respectively 4.316 & 4.253. And also business experience holders among management undergraduates have the highest level of entrepreneurial intention than the management undergraduates who have not the business experience as expected. In addition, Undergraduates who are in second year; third year, first semester; third year, second semester; final year have the same level of entrepreneurial intention approximately. Finally, we recommend to the government, non government organization, financial institutions, educators, and policy makers to give the motivations in terms of financial and marketing aids. And also, industrial training should be given to the undergraduates to enhance the practical knowledge in the industrial cultural.

Keywords- *Personal Demographic Factors, Entrepreneurial Intention and Management undergraduates.*

I. INTRODUCTION

Entrepreneurship has evolved as an important force in global economic growth (McStay,2008).Entrepreneurship as an academic discipline is still considered relatively new although

its origin can be traced back to the seventeenth century, when economist Richard Cantillon (as cited in McStay,2008) coined the term, ‘entrepreneur’. The literal definition of this French term is ‘to undertake’ or ‘go between’ referring to the position an individual assumed when pursuing an opportunity. A person took on the associated risk but did not necessarily provide the capital – they were the ‘go between’. Entrepreneurship studies have been influenced by the economics, psychology, sociology and strategic management literatures providing established theoretical frameworks and Methodological tools (Gustafsson, 2004). This multi-disciplinary approach is not surprising given the complexity of the phenomenon entrepreneurship. Chandler and Lyon (2001) saw the multi disciplinary approach to entrepreneurship in a positive light suggesting this is one of the strengths of the field of entrepreneurship as it considers and borrows frameworks and methodologies from other legitimate social sciences.

Further, Entrepreneurship is considered as a key to the ever growing problem of unemployment among graduates. Conversely, it has been found that this career choice is not privileged by younger people who observe entrepreneurship as their second or even last choice of employability (Thrikawala, 2011).According to the Stansworth and Gray (1991), the lack of management expertise in small firms is the main reason for the failure of that business. In order to grow, these people should have management experience and business training and need to recognize the potential employees such as students and their perceptions. In student perception of self employment, Scott and Twomey (1988) pointed out that self employment has the freedom from supervision and opportunity to be creative in decisions but offer little job security, training, benefits and pay. However, In SriLanka, Ummah (2009) found that the management undergraduates have the significant level of self employment intention. This can be motivated through entrepreneurial motivational factors as Desirability of self employment, Feasibility of self employment, Tolerance for Risk and Perceived Government Support. Furthermore, In northern part of the SriLanka, especially in Jaffna district, after the thirty year ethnic war, there is a tremendous entrepreneurial opportunities due to the economic and political stability of the country. And also The Jaffna district needs graduates who are innovative, dynamic, smart, daring, efficient, determined, modern and employable or in one word, Entrepreneurial. Therefore, A Study on personal demographic factors and entrepreneurial intention among undergraduates from an emerging university like University of Jaffna can be a fruitful

empirical work, which may likely to differ from other universities in Sri Lanka. Finally, This study is focused to answer the question of **“What extent Personal Demographic Factors influence on Entrepreneurial intention among management undergraduates.”**

II. OBJECTIVES OF THE STUDY

The objective of the study is:

To identify the significant mean difference between the levels of Entrepreneurial intention across the personal demographic factors

III. REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

The trait approach to entrepreneurship has been pursued by many researchers in an attempt to separate entrepreneurs from non-entrepreneurs and to identify a list of character traits specific to the entrepreneur. There is no agreement however on the number of traits, specific to the entrepreneur, or their validity (McStay, 2008). Dej (2007) pointed out the personal characteristics of the entrepreneurs that have often been related to entrepreneurial intentions and entrepreneurial success. Such as 1) Need of achievement, Denotes individual's need to strive hard to attain success ; 2) Locus of control , One aspect of the cognitive style which represents the extension to which individual feels in charge ; 3) Risk taking, Describes the individual cognitive style with respect to taking risks ; 4) Tolerance of ambiguity , Describes one's ability to make decision with incomplete information ; 5) Creativity, Describes tendency to experimentation, trial and error, lateral thinking ; 6) Need of autonomy, Represents one's strive to be independent and having control ; 7) Self-efficacy, Describes optimistic self-beliefs to cope with a variety of difficult demands . Further, the individual's decision to become an entrepreneur (entrepreneurial intention) is sometimes assumed to depend on personality traits: “If you have the proper personality profile, you will become an entrepreneur sooner or later”. This is what Shaver & Scott(1991) called the “personological” approach, which seems to have proved largely fruitless in predicting start-up decisions by individuals (Linan & Santos, 2007) .Therefore, the entrepreneurial behavior could be considered as a type of planned behavior for which the intention models are ideally convenient, In which planned behavior denotes that creating a new company requires time, involving both considerable planning and a high degree of cognitive processing (Krueger ,Reilly & Carsrud, 2000). Furthermore, Theory of Planned Behavior (TPB, Ajzen, 1991) has become the most frequently used theoretical framework in recent studies of entrepreneurial intention (Gelderen et al. 2006). In which, interaction between social and personal factors is focused, and also intention is considered as the function of the attitude towards the behavior, the subjective norm and the perceived control. Finally, Personal Demographic factors have the significant moderating effect on entrepreneurial intention (Thrikawala, 2011; Nishantha, 2008).

semester are in the same level approximately, respectively 29.1%, 29.1% & 28.2%. And also 13.7 % of the students is in the final year.

V. RESULTS AND ANALYSIS

A. Data analysis method

Statistical methods have been employed to compare the data collected from 117 respondents. These methods include

According to the Thrikawala (2011), under the personal demographic variables, study of program, year of study program, gender, family income and family business experience are the key factors to moderate the self employment intention among undergraduates. Gender factor has been identified as a significant factor in many researchers. They pointed that male students have stronger entrepreneurial intention than females (Thrikawala, 2011). In addition, family background, which could be identified as family income and family business experiences, the persons with self-employed parent are more towards to start their own business (Timmons,1994).

H₁: There is a significant mean difference in his or her intention to become an entrepreneur between male and female management undergraduates.

H₂: There is a significant mean difference in his or her intention to become an entrepreneur between the undergraduates who have the business experience and have not the business experience.

H₃: There is a significant mean difference between the levels of entrepreneurial intention across the year of study program.

IV. METHODOLOGY

A. Data Sources

Primary and secondary data were used for this study. Primary data were collected through the questionnaire. Secondary data were collected from, texts, journals and magazines.

B. Research Design and Sampling frame work

In the quantitative approach, the survey instrument in the form of close-ended questionnaire was developed for the purpose of collecting the main data for the study. The study was limited to Management undergraduates in Jaffna University, Sri Lanka. Therefore, Stratified proportionate sampling method was adopted to select respondents. Researcher has issued one hundred and thirty (130) questionnaires for selecting the respondents. Out of one hundred and thirty (130) questionnaires, one hundred and twenty two (122) was returned; the response rate was 94%. Then, Out of one hundred and twenty two (122), one hundred and seventeen (117) was used for the study purpose.

Based on the sample size, the female students are in the highest percentage in the gender wise as 54.7 %, comparing with male as 45.3 %. And, the students in the business experience distribution, business experience holders are in the lowest percentage as 30.8%, comparing with others who have not the business experience as 69.2 %. Further, in the year of study Distribution, the percentages of the students in the second year, third year, first semester, third year, second

inferential statistics. It includes independent sample one-way Anova (f-test) and independent sample t-test (t-test). They are used to identify the significant mean difference between the levels of Entrepreneurial intention across the personal demographic factors.

B. Reliability

The internal consistency of the research instrument should be tested by reliability analysis (Ndubisi, 2006).

Nunnally (as cited in Ahsan et al., 2009) suggested that the minimum alpha of 0.6 sufficed for early stage of research. The cronbach's alpha in this study were all much higher than 0.6, the constructs were therefore deemed to have adequate reliability. (Overall Cronbach alpha value was 0.724.)

C. Normality of data

Normality data should be tested before conducting the inferential statistics (Ahsan et al., 2009). According to the "Test of Normality" all the variables in this research were in 0.05 level significant. Therefore the normality assumption is the valid one.

D. Independent samples t-test.

In this study, t-test is utilized to find out the significant mean difference in entrepreneurial intention among gender and business experience.

Gender Vs Entrepreneurial intention

TABLE I. RESULTS OF INDEPENDENT SAMPLES T-TEST

t-test variables	t-value	p-value / sig	Mean difference
Values	0.635	0.527	0.0621

TABLE II. RESULTS OF GROUP STATISTICS

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Entrepreneurial Intention	Male	53	4.3160	.51223	.07036
	Female	64	4.2539	.53913	.06739

Source: Survey Data

Results of Independent samples t-test, there is no significant mean difference in entrepreneurial intention between male and female management undergraduates ($P > 0.05$). It means that both male and female management undergraduates have approximately same level of entrepreneurial intention respectively 4.316 & 4.253.

Business Experience Vs Entrepreneurial intention

TABLE III. RESULTS OF INDEPENDENT SAMPLES T-TEST

t-test variables	t-value	p-value / sig	Mean difference
Values	2.166	0.032	0.224

TABLE IV. RESULTS OF GROUP STATISTICS

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Self Employment Intention	Male	36	4.4375	.42416	.07069
	Female	81	4.2130	.55356	.06151

According to the Table. 3 & 4, Results of Independent samples t-test, there is a significant mean difference in entrepreneurial intention between undergraduates who have the business experience and have not the business experience in their carrier choice ($P < 0.05$).

It means that the business experience holders among management undergraduates have the highest level of entrepreneurial intention than the management undergraduates who have not the business experience as expected.

E. Independent sample one-way ANOVA test.

One-way ANOVA test can be used to find out the significant mean difference in entrepreneurial intention among year of studies.

TABLE V. RESULTS OF INDEPENDENT SAMPLE ONE-WAY ANOVA TEST

Statistics	ANOVA statistics		Test of homogeneity of variance		Test of equality of means	
	F-value	p-value	Levene statistics	p-value	Welch statistics	p-value
Value	0.297	0.827	1.773	0.156	0.358	0.783

According to the Table 5, Results of Independent sample one-way ANOVA test, there is no significant mean difference in entrepreneurial intention across the undergraduates who are in different year of studies, ($F = 0.297$, $\text{Sig} = 0.827$) and the significant level is greater than the 0.05 levels ($P > 0.05$). It means that undergraduates who are in second year; third year, first semester; third year, second semester; final year have the same level of entrepreneurial intention approximately.

And also, the main assumptions of the Independent sample one-way ANOVA test, (1) Test of equality of means, the assumption is not a valid one to support to the findings of the Independent sample one-way ANOVA test, ($P > 0.05$); (2) Test of homogeneity of variance, the assumption is the valid one, ($P > 0.05$), it means that there is

no variance between independent variables. However the main findings of the Independent sample one- way ANOVA test showed that there is no significant mean difference in entrepreneurial intention across the year of studies.

VI. HYPOTHESES TESTING

Summary of the data analysis is given below through the hypotheses testing.

TABLE VI. HYPOTHESES TESTING

No.	Hypothesis
H1	There is a significant mean difference in his or her intention to become an entrepreneur between male and female management undergraduates. Result: Rejected Tools: t-test
H2	There is a significant mean difference in his or her intention to become an entrepreneur between the undergraduates who have the business experience and have not the business experience. Result: Rejected Tools: t-test
H3	There is a significant mean difference between the levels of entrepreneurial intention across the year of study program. Result: Rejected Tools: t-test

VII. CONCLUSION RECOMMENDATION

Based on the overall study findings, we have noted that, there is no significant mean difference in his or her intention to become an entrepreneur between male and female management undergraduates. And, in the business experience context, there is a significant mean difference in his or her intention to become an entrepreneur between the undergraduates who have the business experience and have not the business experience. Further, there is no significant mean difference between the levels of entrepreneurial intention across the year of study program. Government officials, non government organizations, policy makers and planners towards entrepreneurship should focus on the entrepreneurial intention level of the management undergraduates through the strong financial aided, consultancy services, research and development in the entrepreneurship. And also, entrepreneurship can be considered as specialization unit in the management studies to enhance both skill and knowledge in the entrepreneurship field. Because , entrepreneurship is getting prominence in schools, colleges, and universities across the world. Today's globalized world of advanced technology and hyper competition has made entrepreneurship necessary and relevant. Entrepreneurship is commonly referred as the process of developing and bringing to the market a new product, and thus the way in which innovation are bought to the market. In nutshell, entrepreneurship is defined as an ability to be a self starter in the enthusiastic way. In the individualized perspective, there are so many advantages from the entrepreneurial field to the individual such as work

freedom, flexible, decentralization decision making, stress free etc. And also, there are some pros in the entrepreneurship field in the social & economic perspective, such as better foundation for gross domestic production contribution, province or district wise development, better level in the standard of living, reducing the gender imbalances etc.

We suggested the educators, policy makers, government officials, non government organization to enhance the entrepreneurial intention level of the management undergraduates through the skill development program, research conference on the entrepreneurial development, industrial training, and risk taking capacity development.

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